

***United States Court of Appeals  
for the Second Circuit***



**PETITION FOR  
REHEARING  
EN BANC**



ORIGINAL

74-2139

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IN THE  
**United States Court of Appeals**  
FOR THE SECOND CIRCUIT

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Appeal No. 74-2139

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HYMAN KRAMER, doing business as  
HY KRAMER ENTERPRISES,  
*Plaintiff-Appellant,*  
*v.*

DURALITE COMPANY, INC., and G & A MACHINE WORKS, INC.,  
*Defendants-Appellees.*

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ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

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**SUPPLEMENTAL PETITION FOR REHEARING**

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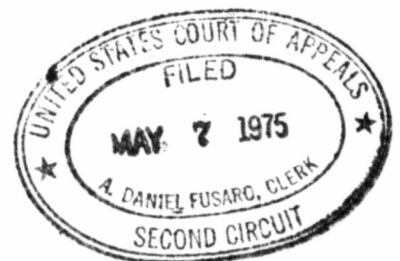


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SUPPLEMENTAL PETITION FOR REHEARING

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TO THE HONORABLE JUDGES OF THE UNITED STATES  
COURT OF APPEALS FOR THE SECOND CIRCUIT:

Hyman Kramer, the Plaintiff-Appellant above named,  
presents this, his supplemental petition for a rehearing in  
the above-entitled cause, and, in support thereof, respectfully  
shows:

A.

THE PROCEDURAL BACKGROUND FOR  
THIS SUPPLEMENTAL PETITION

On December 20, 1973, the United States District Court for the Southern District of New York, Duffy, J., filed an opinion and order (after trial) finding, inter alia, "that the plaintiff [Kramer] was not the creator [or inventor] of the design or device and lied when he said he was."

On March 25, 1973, no judgment having yet been filed, Kramer filed a motion pursuant to Rule 52(b), F. R. Civ. Proc., directed to the inventorship fraud issue raised by the above-quoted conclusion in Judge Duffy's opinion and order. Judge Duffy denied Kramer's Rule 52(b) motion "in all respects" on March 26, 1973, without further opinion.

Upon appeal to this Court, Kramer again fully briefed and argued the inventorship fraud issue (see Kramer's main brief on appeal, pp. 6-20). Initially this Court affirmed Judge Duffy's opinion and order without opinion of its own, and Kramer filed a timely petition for rehearing en banc complaining in part of the lack of an opinion by this Court supporting and explaining its decision to affirm.

Apparently influenced by Kramer's petition for rehearing en banc, this Court, by the original panel, on April 23, 1975, filed a supplemental opinion, per curiam.

This supplemental petition for rehearing by Kramer is directed to the supplemental opinion of this Court.

B.

THE GOVERNING ISSUE UNDERLYING  
THE ATTORNEY FEE AWARD

On page 2 of its supplemental opinion this Court correctly found that the sole attorney fee related issue which was before Judge Duffy and which was expressly decided by him as required by Rule 52(a), F. R. Civ. Proc., was whether or not "Kramer had defrauded the Patent Office" (emphasis supplied).

Indeed, Judge Duffy's opinion and order was quite explicit on this point (at App. p. 142a).

"In his direct testimony Kramer reiterated the claim that he was the sole inventor of the leg hinge bracket in much the same words as the oath he subscribed to in his application for the patent. I find that this testimony of the plaintiff was totally incredible and wholly false" (emphasis supplied).

Judge Duffy thereafter concluded "that the design was 'invented' by Gonsalves, not the plaintiff" (App. p. 143a). These conclusions alone are the only basis for the "exceptional case" conclusion and attorney fee award which can be found expressly stated in Judge Duffy's opinion as required by Rule 52(a).

In other words, Judge Duffy has concluded that, a full eight years before trial, while the facts related to conception and reduction to practice of the leg hinge bracket in suit were

still fresh in Kramer's mind and memory, he deliberately lied to the Patent Office when he subscribed an oath swearing, inter alia, that

" . . . I verily believe I am the original, first, and sole inventor of the invention or discovery in HINGE BRACKETS described and claimed [in Kramer's patent application]" (emphasis supplied).

Kramer, too, agrees that, had he deliberately executed and filed with the Patent Office a false oath as to his inventorship without a reasonable basis for belief in its veracity, such conduct would amount to fraud on the Patent Office and justify a conclusion that this case is exceptional and the resultant award of attorney fees. Kramer submits, however, that Judge Duffy and this Court have erred in concluding that he submitted a fraudulent oath to the Patent Office and that he was not the sole inventor or, at least, an important coinventor of the leg hinge bracket or that this issue is immaterial to the decision of this Case.

C.

THIS COURT HAS, IN THE OPINION  
OF PETITIONER, OVERLOOKED OR  
MISAPPREHENDED THE FOLLOWING  
POINTS OF LAW OR FACT:

POINT I:

This Court is guilty of an obvious non-sequitur in logic by finding, on the one hand, that the ultimate issue confronting Judge Duffy and this Court is whether Kramer defrauded the Patent Office by knowingly falsely swearing that he was the "inventor" of the subject matter of the

pertinent patent application and, on the other hand, concluding that Kramer's possible inventorship or coinventorship is not at issue. It is respectfully submitted that, by any reasonable definition, a charge of fraud is defeated by a showing that the pertinent alleged misrepresentation of fact is, indeed, the truth or that it was reasonably susceptible to belief by the person who made it at the time it was made (no scienter).

POINT II:

Rule 52(a), F. R. Civ. Proc., requires that Judge Duffy's opinion and order have specially found the facts and have separately stated his conclusions of law thereon which support his judgment. Indeed, Kramer has necessarily prosecuted this entire appeal on the basis of the only express findings and conclusions which appear in the Trial Court's opinion. For this Court to found its affirmance of the decision below upon a new and previously unexpressed finding as to the untruth of a statement by Kramer at trial about angles is unfair, unreasonable and contrary to Rule 52(a) which is supposed to guarantee a litigant the right to challenge the basis of a trial court's adverse decision on appeal. Worse still, this Court appears to have founded its affirmance upon clairvoyant conjecture as to Judge Duffy's thought processes in reaching his expressed fraud on the Patent Office conclusion. No such reasoning process is expressed in the opinion and order appealed from.

POINT III:

Assuming, arguendo, that Kramer made one or more statements during testimony at trial with respect to the origin of the angles of the leg hinge bracket which Judge Duffy was justified in finding to be untrue, and assuming further that Judge Duffy expressly found such angle testimony to be untrue in his opinion and order (which he did not), a finding, inference, or deduction from such untrue testimony that Kramer had lied to and defrauded the Patent Office as to his inventorship some eight years earlier when he subscribed his oath is unwarranted. Untrue trial testimony eight or nine years after the event may well be the result of a faulty memory, a rationalization from remembered facts or mere puffing of his case by an anxious litigant in the heat of trial.

Moreover, in this case, no such inference or deduction is necessary or appropriate because there is apparently credible testimony by Gonsalves in the record which supports Kramer's inventorship position. Kramer implores this Court to re-read pp. 15-17 of his main brief with respect to Gonsalves' testimony as to Kramer's inventive contribution. For the convenience of the Court, this portion of Kramer's main brief is annexed hereto as an addendum to this petition.

POINT IV:

There is no express reference whatsoever in Judge Duffy's opinion and order to Kramer's "angle testimony" or to

anyone else's "angle testimony". While Kramer does not here seek to promote speculation and conjecture but, rather, decries such processes, one may reasonably assume from the record that Judge Duffy did not mention such testimony either because he concluded (or could have concluded) that Kramer had, in fact, made a substantial contribution to the choice of angles or because he regarded the conflicts in the angles testimony to be immaterial. Kramer assumes that the "critical angles" to which this Court has made reference in its supplemental opinion are the  $65^{\circ}$  angle and the  $30^{\circ}$  -  $40^{\circ}$  angles shown in figure 1 of the patent in suit (App., p. 267a) and specified in claim 2 thereof (App., p. 270a).

First of all, Judge Duffy, who ably wielded micrometers and a protractor during trial, may be assumed to have understood that the "critical angles" are inherent in the structure drawn by Gonsalves upon Kramer's instructions. The critical instructions were Kramer's instructions to "nest" the bracket blanks to minimize scrap and, at the same time, to preserve the functional leg support angle of the prior art. The inherent nature of the angles is disclosed and explained at column 4, lines 5-46, of the patent in suit (App., p. 269a).

Secondly, both Gonsalves' and Dosso's testimony appears to indicate that Kramer expressly required them to retain the  $65^{\circ}$  functional support "critical angle" from the prior art (App. p. 72a, lines 9-20; p. 128a, lines 5-13). This Court's



finding that "witnesses testified that Kramer made no contribution to the choice of angles" is, simply, not in accord with the record nor with any express finding by Judge Duffy.

Finally, if Kramer's testimony that he supplied Gonsalves with written numerical specification of the angles is untrue as the result of a faulty or rationalized memory or of puffing his case during trial testimony, there is no indication in the record that either Gonsalves or Dosso ever developed a written numerical specification of the angles. Gonsalves, in fact, testified that he made no calculations in connection with his design of the part (App., pp. 97a, lines 13-17; 98a, lines 12-16; 101a, lines 21-23). If the angles were not numerically specified in writing by Kramer or by Gonsalves, then the first written numerical specification of the angles must have been that prepared by Kilcoyne, Kramer's patent solicitor, to whom Kramer presented the design of the part which inherently included the angles. This first written numerical specification of the angles was part of Kramer's application for the patent in suit.

A patent applicant need not make oath that he, personally, drafted the drawings, specification and claims which form his patent application or that he selected the particular language and limitations ultimately utilized to describe and claim his invention. This is his patent solicitor's function. It is sufficient that the inventor swear that the specification

and claims describe and pertain to the physical device which he has invented whether his invention was born in those or other terms and form. Kramer's failure, if such be the case, to have numerically specified the angles prior to Gonsalves' reduction of the invention to drawing form detracts nothing from whatever Kramer's inventive activity may be shown, by Gonsalves' own testimony, to have been. If, as is the case, the issue is fraud on the Patent Office, whether or not Kramer instructed Gonsalves in numerical terms as to specific angles to be employed is immaterial.

D.

#### ARGUMENT

Both the Trial Court and this Court have expressly acknowledged that the ultimate issue in this case, as appealed, is whether Kramer committed fraud on the Patent Office when he swore that he was the inventor of the subject matter of the patent in suit. Indeed, the two authorities relied upon by this Court to sustain its position, Monolith Portland Midwest Co. v. Kaiser Aluminum & Chemical Corp., 407 F.2d 288 (9th Cir. 1969) and Kahn v. Dynamics Corp. of America, 508 F.2d 939 (2d Cir. 1975), are predominantly fraud-on-the-Patent-Office cases.

But the Kahn case, finally decided by this Court only on January 9 of this year, a scant five months ago (supra, at 944), states that awards of attorney fees under the applicable statute, 35 U.S.C. § 285, in this Circuit are still governed by "the leading case in this Circuit on this subject", Indiana General Corp. v. Krystinel Corp., 297 F.Supp. 427 (S.D.N.Y. 1969),

aff'd, 421 F.2d 1023 (2d Cir.), cert. denied, 398 U.S. 928 (1970). The rule is that

"only where the court is convinced that the patent in suit is so wholly devoid of substance that the plaintiff could not have had a bona fide belief in its validity shall it award the defendant reasonable attorneys' fees pursuant [to the statute.]" (Ibid., at 449).

By reason of the acknowledgements in Gonsalves' testimony as to the conception by Kramer of most, if not indeed all, of the essential features of the improved leg hinge bracket, neither Judge Duffy nor this Court was justified in concluding that the patent in suit was "so wholly devoid of substance [as to inventorship by Kramer] that the plaintiff could not have had a bona fide belief in its validity". See Agawam Co. v. Jordan, 74 U.S. 583,602 (1869), and Minerals Separation, Ltd. v. Hyde, 242 U.S. 261,270 (1916).

If the Trial Court's exercise of its discretion to award attorney fees was founded upon some factual ground other than fraud on the Patent Office (e.g. perjury during trial as to some other issue or sub-issue), it never specially so found in its opinion and order as required by law (Rule 52(a), F. R. Civ. Proc.). Nor was Kramer ever charged by any indictment, civil pleading, amendment thereof or, indeed, by the Trial Court's opinion and order of any other form of misconduct. Under the circumstances, seeking appellate review of conviction of an unspecified charge becomes impossible, and this impossibility amounts to a denial of due process. See also Barr Rubber

Products Company v. Sun Rubber Company, 425 F.2d 1114, 1120 (2d Cir. 1970), cert. denied, 400 U.S. 878 (1970), as to standard of proof.

E.

THE REHEARING SOUGHT

Responding to this Court's statement, on page 1 of its supplemental opinion, that "petitioner apparently does not ask for a rehearing by the panel alone", Kramer asks for a rehearing in an atmosphere of responsive dialogue, if not en banc, then by the panel who originally considered the appeal. Kramer has only suggested, as provided in Rule 35, F.R.A.P., that the issues raised by the petition for rehearing en banc may be appropriate for en banc review.

Surely this Court's decision in this case, in its present posture, is inconsistent with its decision in Indiana General v. Krystinel, supra, and may well be inconsistent with its very recent decision in Kahn, supra. For this reason, this Court may well view it appropriate to hold an en banc rehearing in order to maintain uniformity of its decisions.

Moreover, although the case does not involve an "exceptionally important" question of urgent widespread public interest, it does involve an important legal issue on which the Supreme Court has not opined in half a century, to wit: what acts constitute "invention"? For this reason, too, an en banc decision (or, for that matter, any decision which fully considers the issue) by this august Court would be of general

public interest in this Circuit as well as in other jurisdictions. Neither the patent issue nor the civil rights issue here involved are commonplace.

Kramer respectfully thanks the panel before whom this case was argued for its supplemental opinion which made possible his coming to grips with the issues presented in this supplemental petition.

F.

CONCLUSION

This Court should reverse the Trial Court's judgment and opinion and order insofar as the same concluded that Kramer was not the inventor or creator of the patented device and lied to the Patent Office when he swore that he was, concluded that the case was "exceptional" and awarded attorney fees as against Kramer.

Respectfully submitted,

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### ADDENDUM

Having conceived the invention, Kramer employed Gonsalves as his agent to assist in its reduction to practice. The facts surrounding the reduction to practice will be reviewed on the basis of Gonsalves' testimony alone. Gonsalves has testified, relative to Kramer's instructions to him, that they included:

1. direction to save material by "making the bracket out of the least amount of material" and to use " a thinner gauge" (App. 68a,85a);
2. direction to preserve the critical function of the bracket by selecting the right angle for the leg portions of the bracket (App. 72a,87a);
3. direction to "interlock" [nest] the blanks so "that it should not have any scrap" (App. 73a);
4. direction as to number and location of mounting holes (App. 76a-77a);
5. direction as to size of holes (App. 81a);
6. direction to provide the locking depressions in the bracket (App. 82a);
7. suggestion that the product be altered to make it more possible to nest it (App. 85a);
8. a request for reinforcing ribs (App. 86a);
9. a request that a saddle be provided in the improved product (App. 83a-84a); and

10. "much more" (App. 72a).

Having been thus completely instructed as to Kramer's conception, Gonsalves was faced only with a routine design layout of the blank and strip and the resultant design of the die to make the bracket. As Gonsalves realized from Kramer's instructions, "the location of the hinging holes as compared to the saddle has to remain" (App. 87a-88a), the "bottom of the blank has to match the top of the blank" (Id.); and that, as a logical result, "the bottom end is the only part that could be changed to any degree" (App. 88a). Such routine design considerations can hardly be equated to invention over Kramer's detailed instructions. No calculations were necessary for Gonsalves' preliminary layout (App. 98a).

Moreover, Gonsalves testified as to Kramer's participation in these routine design efforts:

1. that "we might have sat down together and said, 'Let's see how we could do it'" (App. 70a);
2. that it was customary to have such discussions (App. 71a); and
3. that he specifically recalled there being such a discussion in this instance (App. 71a).

Gonsalves also testified that his resultant drawing (App. 273a) was shown to Kramer "for his approval as to the design of the part" (App. 67a).





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